

## Office of External Affairs

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### **1.8 Million More Beneficiaries with Limited Medicaid Benefits Will Get Drug Discounts and A \$600 Credit Right Away**

Under the Medicare-Approved Drug Discount Card Program, Medicare beneficiaries who are enrolled in Medicare Savings Programs as Qualified Medicare Beneficiaries (QMBs), Specified Low-income Medicare Beneficiaries (SLMBs), or Qualifying Individuals (QI-1s) are deemed to meet the income requirement for the \$600 credit in 2004 and 2005.

The CMS initiative facilitates enrollment and provides a streamlined process for the \$600 credit. Participating national Medicare-approved drug discount card sponsors will agree to follow simple procedures to facilitate the \$600 credit enrollment for about 1.8 million Medicare Savings Programs beneficiaries.

- On September 14, 2004, CMS issued interim guidance to all Medicare-approved drug discount card sponsors outlining the process for Medicare Savings Programs auto-enrollment. National sponsors have notified CMS of their intention to participate.
- CMS will randomly assign those eligible Medicare Savings Programs beneficiaries who have not already enrolled in a card to participating Medicare-approved drug discount card sponsors.
- CMS will provide card sponsors with the appropriate list of beneficiaries.
- Starting in mid-October, card sponsors will mail an enrollment kit to each Medicare Savings Programs enrolled individual. The enrollment kit will contain the following information:
  1. Pre-enrollment materials: (Card Program, Member Handbook, Membership Card, Discount Drug List, Pharmacy Directory).
  2. A notice advising the Medicare Savings Programs beneficiary of the automatic assignment, effective date of enrollment, eligibility for the \$600 credit, information about their right to decline and/or switch to another Medicare-approved drug discount card, and a toll-free number.
- The card begins providing discounts on November 1. To activate the \$600 credit, the beneficiary makes one call to 1-800-MEDICARE or to the card sponsor's 800 number. On the call, the beneficiary answers two questions to confirm they are eligible for the credit:
  1. Does the beneficiary have other health insurance with any outpatient prescription drug coverage?
  2. Does the beneficiary have monthly income (including spouse, if married) above or below \$12,569 for singles and \$16,862 for couples?

- Medicare Savings Programs beneficiaries wish to choose another card can call 1-800-MEDICARE to learn about their other choices.
- If a beneficiary is not eligible for the \$600 credit because of other drug coverage, they will still be able to use the drug card they received and benefit from any associated discounts.
- Medicare Savings Programs beneficiaries who wish to cancel enrollment in a card must call the drug card sponsor at the toll free number provided and request their enrollment be canceled.

As a result of this new program for enrollment in the drug card program, all beneficiaries in Medicare Savings Programs can start getting large savings on their drug costs.

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